



**DEPARTMENT OF AGRICULTURE**

**Agricultural Marketing Service**

**[Document No. AMS-LPS-15-0001]**

**2015 Rates Charged for AMS Services**

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Notice.

**SUMMARY:** The Agricultural Marketing Service (AMS) is announcing the 2015 rates it will charge voluntary grading, inspection, certification, auditing and laboratory services for a variety of agricultural commodities including meat and poultry, fruits and vegetables, eggs, dairy products, and cotton and tobacco. The 2015 regular, overtime, holiday, and laboratory services rates will be applied at the beginning of the crop year, fiscal year or as required by law (June 1 for cotton programs) depending on the commodity. This action established the rates for user-funded programs based on costs incurred by AMS.

**DATES:** [INSERT DATE ONE DAY AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Sonia Jimenez, AMS, U.S. Department of Agriculture, Room 3069-S, 1400 Independence Ave, SW., Washington, DC 20250; telephone (202) 720-5115, fax (202) 720-8477; e-mail [sonia.jimenez@ams.usda.gov](mailto:sonia.jimenez@ams.usda.gov).

**SUPPLEMENTARY INFORMATION:** The Agricultural Marketing Act of 1946, as amended, (AMA) (7 U.S.C. 1621-1627), provides for the collection of fees to cover costs of various inspection, grading, certification or auditing services covering many agricultural commodities and products. The AMA also provides for the recovery of costs incurred in providing laboratory services. The Cotton Statistics and Estimates Act (7 U.S.C. 471-476) and the U.S. Cotton Standards Act (7 U.S.C. 51-65) provide for classification of cotton and development of cotton standards materials necessary for cotton classification. The Cotton Futures Act (7 U.S.C. 15b) provides for futures certification services and the Tobacco Inspection Act (7 U.S.C. 511-511s) provides for tobacco inspection and grading. These Acts also provide for the recovery of costs associated with these services.

On November 13, 2014, The Department of Agriculture (Department) published in the **Federal Register** a final rule that established standardized formulas for calculating the fees charged by AMS user-funded programs (79 FR 67313).

This notice announces the fee rates for voluntary grading, inspection, certification, auditing and laboratory services for a variety of agricultural commodities including meat and poultry, fruits and vegetables, eggs, dairy products, and cotton and tobacco on a per-hour rate and, in some instances, the

equivalent per-unit cost. The per-unit cost is provided to facilitate understanding of the costs associated with the service to the industries that historically used unit-cost basis for payment. The fee rates will be effective at the beginning of the fiscal year, crop year, or as required by specific laws (June 1 for cotton programs).

The rates reflect direct and indirect costs of providing services. Direct costs include the cost of salaries, employee benefits, and if applicable, travel and some operating costs. Indirect or overhead costs include the cost of Program and Agency activities supporting the services provided to the industry.

These services include the grading, inspection or certification of quality factors in accordance with established U.S. Grade Standards; audits or accreditation according to International Organization for Standardization (ISO) standards and/or Hazard Analysis and Critical Control Point (HACCP) principles; and other marketing claims. The quality grades serve as a basis for market prices and reflect the value of agricultural commodities to both producers and consumers. AMS' grading and quality verification and certification, audit and accreditation, plant process and equipment verification, and laboratory approval services are voluntary tools paid by the users on a fee-for-service basis. The agriculture industry can

use these tools to promote and communicate the quality of agricultural commodities to consumers. Laboratory services are provided for analytic testing, including but not limited to chemical, microbiological, biomolecular, and physical analyses. AMS is required by statute to recover the costs associated with these services.

As required by the Cotton Statistics and Estimates Act (7 U.S.C. 471-476), consultations regarding the establishment of the fee for cotton classification with U.S. cotton industry representatives were held between January 2014 and the present. Representatives of all segments of the cotton industry, including producers, ginner, bale storage facility operators, merchants, cooperatives, and textile manufacturers were informed of the fees during various industry-sponsored forums.

### **Rates Calculations**

AMS calculated the rate for services, per hour per program employee using the following formulas (a per-unit base is included for programs that charge services based on a per-unit base):

(1) *Regular rate*. The total AMS grading, inspection, certification, classification, audit, or laboratory service program personnel direct pay divided by direct hours for the previous year, which is then multiplied by the next year's percentage of cost of living increase, plus the benefits rate,

plus the operating rate, plus the allowance for bad debt rate. If applicable, travel expenses may also be added to the cost of providing the service.

(2) *Overtime rate.* The total AMS grading, inspection, certification, classification, audit, or laboratory service program personnel direct pay divided by direct hours, which is then multiplied by the next year's percentage of cost of living increase and then multiplied by 1.5, plus the benefits rate, plus the operating rate, plus an allowance for bad debt. If applicable, travel expenses may also be added to the cost of providing the service.

(3) *Holiday rate.* The total AMS grading, inspection, certification, classification, audit, or laboratory service program personnel direct pay divided by direct hours, which is then multiplied by the next year's percentage of cost of living increase and then multiplied by 2, plus benefits rate, plus the operating rate, plus an allowance for bad debt. If applicable, travel expenses may also be added to the cost of providing the service.

All rates are per-hour except when a per-unit cost is noted. The specific amounts in each rate calculation are available upon request from the specific AMS program.

## 2015 Rates

Cotton Fees					
<b>7 CFR Part 27 – Cotton Classification Under Cotton Futures Legislation</b> Subpart A-Regulations; §§27.80 - 27.90 Costs of Classifications and Micronaire					
Cotton Standardization					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Certification for Futures Contract (Grading services for samples submitted by CCC-licensed samplers)	\$3.50/bale			X	June 1, 2015
Transfer of Certification Data to New Owner or Certified Warehouse (Electronic transfer performed)	\$0.20/bale or \$5.00 per page minimum			X	June 1, 2015
<b>7 CFR Part 28 – Cotton Classing, Testing, and Standards</b> Subpart A-Regulations Under the United States Cotton Standards Act; §§28.115 - 28.126 Fees and Costs Subpart D- Cotton Classification and Market News Service for Producers; §28.909 Costs; §28.910 Classification of Samples and Issuance of Classification Data; §28.911 Review Classification.					
Cotton Grading					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Form 1: Grading Services for Producers (submitted by licensed sampler)	\$2.20/bale			X	June 1, 2015
Form 1 Review (new sample submitted by licensed sampler)	\$2.20/bale			X	June 1, 2015
Form A Determinations (sample submitted by licensed warehouse)	\$2.00/bale			X	June 1, 2015
Form C Determinations (sample submitted by non-licensed entity; bale sampled under USDA supervision)	\$2.00/bale				June 1, 2015

Form D Determination (sample submitted by owner or agent; classification represents sample only)	Instrument and Manual Grade: \$2.00/bale Instrument Grade Only: \$1.75/bale			X	June 1, 2015
Foreign Growth Classification (sample of foreign growth cotton submitted by owner or agent; classification represents sample only)	Instrument and Manual Grade: \$2.00/bale Instrument Grade Only: \$1.75/bale			X	June 1, 2015
Arbitration (comparison of a sample to the official standards or a sample type)	Instrument and Manual Grade: \$4.00/bale Instrument Grade Only: \$2.70/bale Manual Grade Only: \$2.20/bale			X	June 1, 2015
Practical Cotton Classing Exam (for non-USDA employees)	Exam: \$105/applicant Reexamination: \$85/applicant			X	June 1, 2015
Special Sample Handling (return of samples per request)	\$0.50/sample			X	June 1, 2015
Electronic Copy of Classification Record	\$0.05/bale (\$5.00/month minimum with any records received)			X	June 1, 2015
Form A Rewrite (reissuance of Form 1, Form A, or Futures Certification data or combination)	\$0.15/bale or \$5.00/page			X	June 1, 2015
Form R (reissuance of Form 1 classification only)	\$0.15/bale or \$5.00/page minimum			X	June 1, 2015
International Instrument Level Assessment	\$4.00/sample			X	June 1, 2015
Dairy Fees					
7 CFR Part 58 – Grading and Inspection, General Specifications for Approved Plants and Standards for Grades of Dairy Products Subpart A-Regulations Governing the Inspection and Grading Services of Manufactured or Processed Dairy Products; §§58.38 - 58.46 Fees and Charges					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Continuous Resident Grading Service	\$76.00	\$114.00	\$152.00	X	Oct 1, 2015
Non-resident and Intermittent Grading Service	\$82.00	\$123.00	\$164.00	X	Oct 1, 2015
Non-resident Services 6pm-6am (10 percent night differential)	\$90.20	\$135.30	\$180.40	X	Oct 1, 2015
State Graders	\$82.00	\$123.00	\$164.00	X	Oct 1, 2015

Equipment Review	\$82.00	\$123.00	\$164.00	X	Oct 1, 2015
Export Certificate Services	\$82.00	N/A	N/A	X	Oct 1, 2015
Special Handling	\$41.00	N/A	N/A		Oct 1, 2015
Fax Charge	\$4.00	N/A	N/A		Oct 1, 2015
Derogation Application	\$123.00	N/A	N/A		Oct 1, 2015
Fruit and Vegetable Fees					
7 CFR Part 51 – Fresh Fruits, Vegetables and Other Products (Inspection, Certification, and Standards) Subpart A-Regulations; §§51.37 - 51.44 Schedule of Fees and Charges at Destination Markets §51.45 Schedule of Fees and Charges at Shipping Point Areas					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Quality and Condition Inspections for Whole Lots	\$151.00 per lot				Oct 1, 2015
Condition-Only Inspections for Whole Lots	\$125.00 per lot				Oct 1, 2015
Quality and Condition or Condition-Only Inspections for Additional Lots of the Same Product	\$69.00 per lot				Oct 1, 2015
Dockside Inspections – Each package weighing < 30 lbs.	\$0.038 per pkg.				Oct 1, 2015
Dockside Inspections – Each package weighing > 30 lbs.	\$0.059 per pkg.				Oct 1, 2015
Charge per Individual Product for Dockside Inspection	\$151.00 per lot				Oct 1, 2015
Charge per Each Additional Lot of the Same Product	\$69.00 per lot				Oct 1, 2015
Inspections for All Hourly Work	\$74.00	\$112.00	\$148.00		Oct 1, 2015
Audit Services	\$92.00			X <sup>1</sup>	Oct 1, 2015
7 CFR Part 52 – Processed Fruits and Vegetables, Processed Products Thereof, and Other Processed Food Products Subpart – Regulations Governing Inspection and Certification; §§52.41 - 52.51 Fees and Charges					



	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Lot Inspections	\$62.00	\$93.00	\$124.00	X	Oct 1, 2015
In-plant Inspections Under Annual Contract (year-round)	\$49.00	\$73.50	\$98.00	X	Oct 1, 2015
Additional Graders (in-plant) or Less Than Year-Round	\$65.00	\$97.50	\$130.00	X	Oct 1, 2015
Audit Services	\$92.00			X <sup>1</sup>	Oct 1, 2015
Meat and Livestock Fees					
7 CFR Part 54 – Meats, Prepared Meats, and Meat Products (Grading, Certification, and Standards) Subpart A-Regulations; §§54.27 - 54.28 Charges for Service					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Commitment Grading	\$61.00	\$78.00	\$122.00	X	Oct 1, 2015
Non-commitment Grading	\$71.00	\$78.00	\$122.00		Oct 1, 2015
Night Differential (6 pm – 6 am)	\$78.00	N/A	\$122.00		Oct 1, 2015
7 CFR Part 62 – Livestock, Meat and Other Agricultural Commodities (Quality Systems Verification Programs) Subpart A- Quality Systems Verification Definitions §62.300 Fees and Other Costs for Service					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Auditing Activities	\$108.00				Oct 1, 2015
7 CFR Part 75 – Regulations for Inspection and Certification of Quality of Agricultural and Vegetable Seeds §75.41 General					
	Regular	Overtime	Holiday	Includes Travel Costs in	Start Date

<sup>1</sup>Travel costs outside the United States will be added to the fee, if applicable.

				Rate	
Laboratory Testing	\$52.00	\$78.00	\$104.00	X	Oct 1, 2015
Administrative Fee	\$13.00 per certificate				Oct 1, 2015
Poultry Fees					
7 CFR Part 56 – Voluntary Grading of Shell Eggs Subpart A-Grading of Shell Eggs; §§56.45 – 56.54 Fees and Charges					
7 CFR Part 70 – Voluntary Grading of Poultry and Rabbit Products Subpart A-Grading of Poultry and Rabbit Products; §§70.70 – 70.78 Fees and Charges					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Resident Service (in-plant)	\$42.68 <sup>2</sup>	\$47.16 <sup>2</sup>	\$67.28 <sup>2</sup>	X	Oct 1, 2015
Resident, Night Differential (6 pm – 6 am)	\$45.16 <sup>2</sup>	\$49.60 <sup>2</sup>	\$69.76 <sup>2</sup>	X	Oct 1, 2015
Resident, Sunday Differential	\$48.80 <sup>2</sup>	\$53.28 <sup>2</sup>	N/A	X	Oct 1, 2015
Resident, Sunday and Night Differential	\$51.28 <sup>2</sup>	\$55.76 <sup>2</sup>	N/A	X	Oct 1, 2015
Fee Service (non-scheduled)	\$77.28	\$93.24	\$115.89		Oct 1, 2015
Audit Service	\$89.20	\$116.08	\$139.89		Oct 1, 2015
Science and Technology Fees					
7 CFR Part 91 – Services and General Information (Science and Technology) Subpart I-Fees and Charges; §§91.37 – 91.45					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Laboratory Testing Services	\$88.00	\$103.00	\$118.00		Oct 1, 2015

<sup>2</sup> Administrative charges are applied in addition to hourly rates for resident service as specified in Part 56, Subpart A, §56.52 (a) (4); Part 56, Subpart A, §56.54 (a) (2); Part 70, Subpart A, §70.76 (a) (2); Part 70, Subpart A, §70.77 (a) (4) and Part 70, Subpart A, §70.77 (a) (5).

<sup>3</sup> Travel costs outside the United States will be added to the fee, if applicable.

Laboratory Approval Services <sup>3</sup>	\$136.00	\$163.00	\$191.00	X	Jan 1, 2016
<b>Tobacco Fees</b>					
<b>7 CFR Part 29 – Tobacco Inspection</b>					
Subpart A- Policy Statement and Regulations Governing the Extension of Tobacco Inspection and Price Support Services to New Markets and to Additional Sales on Designated Markets; Subpart B- Regulations; §§29.123 – 29.129 Fees and Charges; §29.500 Fees and charges for inspection and acceptance of imported tobacco Subpart F- Policy Statement and Regulations Governing the Identification and Certification of Non-quota Tobacco Produced and Marketed in Quota Area; §29.9251 Fees and Charges					
	Regular	Overtime	Holiday	Includes Travel Costs in Rate	Start Date
Domestic Permissive Inspection and Certification (re-grading of domestic tobacco for processing plants, retesting of imported tobacco, and grading tobacco for research stations.)	\$47.40	\$53.70	\$64.45		June 1, 2015
Export Permissive Inspection and Certification (grading of domestic tobacco for manufacturers and dealers for duty drawback consideration)	\$0.0025/pound			X	June 1, 2015
Grading for Risk Management Agency (for Tobacco Crop Insurance Quality Adjustment determinations)	\$0.01/pound			X	June 1, 2015
Pesticide Test Sampling (collection of certified tobacco sample and shipment to AMS National Science Laboratory for testing)	\$0.0054/kg or \$0.0025/pound			X	June 1, 2015
Pesticide Retest Sampling (collection of certified tobacco sample from a previously sampled lot for re-testing at the AMS National Science Laboratory; fee includes shipping)	\$115.00/sample and \$47.40/hour			X	June 1, 2015
Standards Course (training by USDA-certified instructor on tobacco grading procedures)	\$1,200.00/person				June 1, 2015

Import Inspection and Certification (grading of imported tobacco for manufacturers and dealers)	\$0.0154/kg or \$0.0070/pound	X	June 1, 2015
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**Authority:** 7 U.S.C. 15b; 7 U.S.C. 473a-b; 7 U.S.C. 55 and 61; 7 U.S.C. 51-65; 7 U.S.C. 471 - 476; 7 U.S.C. 511, 511s; and 7 U.S.C. 1621-1627.

Dated: April 6, 2015.

**Rex A. Barnes,**  
*Associate Administrator.*

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